	Policy	Health Care Implementation Council Report Recommendation	Updates: October 2011	Updates: August 2012
A	Establish a Health Benefit Exchange	• Establish a Health Benefits Exchange	• PA 97-0142: established that the State shall create a Health Benefits Exchange.	• Illinois will partner with the federal government for the first year of the Exchange and intends to transition to a state based exchange in the second year of operation. Establishing a state based exchange will require additional legislation.
B	Establish the Exchange as a Quasi-Governmental Entity	• Establish the Exchange as a Quasi-Governmental Entity	• This was not addressed in PA 97-0142. • The Legislative Study Committee (LSC) acknowledges this is a possible option. • The HMA/Wakely report details the benefits and drawbacks of each option for the organizational structure of an Exchange (p. 21-23).	• Legislation establishing a governing structure for the Exchange has not been voted on by the General Assembly. • During the spring 2012 legislative sessions, stakeholders began to draft a bill; the language in the bill established the Exchange as a quasi-governmental entity.
B1	Operating Model	• The council recommends initially organizing the Exchange as a "market developer" and later transitioning to a "market organizer" model once premium volume and a sufficient number of covered lived are achieved with in the Exchange marketplace.	• PA 97-0142: did not address • Consultant reports: did not address	• Under the partnership model, the market will not be restricted and any qualified health plan can be sold on the Exchange. • The operating model under a state based exchange will be addressed in subsequent legislation.

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B2	Single Exchange or Separate Individual Market and SHOP Exchange	• The council recommends that IL initially establish a single Exchange entity that sells products to both individuals and small employers.	• PA 97-0142: established that the Exchange shall separate coverage pools for individuals and small employers. • Consultant reports also recommend that individual and small group markets should be separate at first, but monitor markets after implementation. • The HMA/Wakely report predicts that combining the individual and small group risk pools would lead to significantly higher premium rates in the individual market and only minimally decreased premium rates in the small group market (p. 95-97).	• Implementation efforts continue to plan for SHOP as a separate market outside the individual exchange. • The federally facilitated exchange will also establish SHOP as separate than the individual market.
B3	Regional or Subsidiary Exchanges	• The council recommends that the state further examine the potential benefits of a regional Exchange, which may be necessary to accommodate the health acre needs of Illinois residents who obtain medical care in other states		• No further research has been conducted.

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B4	Financial Sustainability	• The council recommends further study to identify a long-term funding mechanism from carriers, other health care stakeholders, or both. • Funding should be independent of state general revenue funds.	• The HRIC believes that the administrative and other expenses of the board shall be funded by an assessment of all insurers. • The HRIC further maintains that no state general revenue fund shall be used for the administrative and other expenses of the Exchange. • The LSC report identifies several options for financing, and they seem to agree that funding should be independent of state GRF. • The HMA/Wakely report provides a detailed estimation of Exchange startup and operating expenditures through 2015 and has calculated the required assessment on participating health plans for a range of potential enrollment scenarios (p. 61-82).	• The funding mechanism for the Exchange has yet to be determined. It will be included in subsequent legislation.
C	Additional Health Insurance Consumer Protections	• The council recommend that the state incorporate ACA reforms into state law to ensure clear, consistent and fair implementation	• DOI intends to pursue legislation to strengthen the existing provisions in the IL Insurance Code, and to include a federal provision that bans rescissions.	• Legislation strengthening IL Insurance Codes has not passed the General Assembly.
C1	Internal Appeals and External Review	• The council recommends enacting legislation that brings Illinois law into compliance with ACA standards governing internal appeals and external review processes, to avoid federal preemption of state law.	• PA 97-057 effective 8/26/11	• House Bill 0224 gives covered persons the right to apply for an External Review for the denial, reduction, termination or failure to make payment under the health carrier's benefit plan under certain circumstances.

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C2	Minimum Medical Loss Ratio Requirements	• The council recommends enacting legislation to adopt and incorporate the ACA minimum medical loss ratio requirements into state law, given the importance of these provisions to Illinois families and businesses seeking enhanced value from the purchase of health insurance.	• DOI intends to pursue legislation in Spring 2011 codifying MLR in IL law; it is already established in federal law.	• Legislation addressing the minimum medical loss ratio requirements has not passed the General Assembly.
C3	Premium Rate Review	• The council recommends enacting legislation giving the Department of Insurance the authority to approve or deny proposed health insurance rate increases.	• DOI would like to pursue legislation in Spring 2011.	• Legislation allowing DOI to approve or deny health insurance increases has not passed the General Assembly.
C4	Health Care Cooperative Program	• The council recommends that Illinois law be amended as necessary to remove barriers and facilitate formation of nonprofit member corporations eligible for federal funding under the ACA.	• DOI is considering legislation to enable Health Care Cooperatives.	• Legislation enabling Health Care Cooperatives was not necessary in Illinois, and entities are working towards establishing CO-OPs and securing loans through ACA funds. • No further action is necessary.
C5	Mental Health Parity	• The council recommends enacting state legislation to bring Illinois law into compliance with the Mental Health Parity and Addiction Equity Act (MPHAEA) and the Mental Health Parity Act (MHPA), which will enable the Department of Insurance to assure consistency with these federal laws.	• PA 97-0437 effective August 18th	• Complete

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D	Eligibility Verification and Enrollment (EVE)	• The council recommends that the state: establish an interagency project management team to ensure that state departments meet key deadlines; allocate sufficient resource to departments engaged in ACA implementation to meet the October 1, 2013 deadline to begin enrollment in the Exchange; ensure that development if the EVE system is consistent with state efforts to coordinate enrollment in other government programs; capture as much federal funding as possible and budget sufficient state funds to acquire the necessary technology	• Interagency project management team overseeing eligibility system modernization seems to be functioning well.	• The Department of Healthcare and Family Services recently procured a vendor to build the Integrated Eligibility System (IES). The interagency project management team (including HFS, DHS & DOI) continues to establish the modernized eligibility, verification and enrollment system that will seamlessly integrate with the Exchange.
A1	Additional Adjustments to the Health Insurance Marketplace	• The council recommends further study whether the definition of "small employer" should be increased from 50 to 100 employees and whether larger employers should be allowed to participate in the Exchange	• PA 97-0142 sets the number of employees at 50 for small businesses to participate until 2016 when federal law requires increasing size to 100.	• Complete.
A2	Dual Market and Regulatory Parity	• The council recommends that Illinois initially establish a "dual market" system and pursue legislation to foster regulatory parity between the Exchange and non-Exchange markets.		• Legislation establishing a dual market has not been addressed by the General Assembly. The Exchange Board once established might also address this topic. Under the state-federal partnership there will be a dual market in Illinois.

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A3	Risk Adjustment, Reinsurance and Risk Corridors	• The council recommends obtaining the statutory authority to implement federal risk adjustment measures.	• Developing consensus that Illinois would use Federal risk adjustment mechanisms.	• Under the partnership model, Illinois can choose to run a Reinsurance program or defer to the federal government. When the state submits it's Blueprint Application for a state-federal partnership to the Department of Health and Human Services, it must include whether Illinois will run this program or not.
A4	Benefit Mandates	• The council recommends waiting for further guidance from HHS before deciding whether to require benefits beyond the "essential benefits" defined by HHS.	• Awaiting further guidance from HHS.	• The state plans to solicit feedback from the public about the state's selection of an Essential Health Benefits benchmark plan in September. The HCRIC will hold a meeting and the public will be able to submit comments via healthcarereform.illinois.gov. The recommendation must be submitted by the state to the Secretary of HHS by September 30, 2012. Further guidance is still expected from HHS.
A5	Basic Health Plans	• The council recommends waiting for further guidance from HHS before deciding whether to establish a Basic Health Plan and what it should include.	• Awaiting further guidance from HHS and additional actuarial work.	• The state does not have the option of pursuing a Basic Health Plan under the state-federal partnership model. Under a state based exchange Illinois will have the opportunity to revisit this topic.

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B1	Consumer Outreach	• The council recommends that the state continue to engage employers, consumers, and insurers to develop an aggressive and culturally sensitive outreach plan that reflects Illinois' demographic and geographic diversity and the myriad health care needs of Illinois families and employers.	• DOI received a $1.45m Consumer Assistance Grant from HHS on Oct. 19, 2010. The grant will support the states' efforts to establish and strengthen consumer assistance programs that provide direct services to consumers with questions or concerns regarding their health insurance.	• The Department of Insurance continues to use federal Consumer Assistance Program funding to enhance consumer outreach and education activities. The Department of Insurance recently solicited comments on the Navigator program based on the report, *Illinois Navigator Program Design*, produced by Health Management Associates. The Navigator program will conduct outreach and education activities associated with the Exchange. The report is available on the Health Care Reform website: www.healthcarereform.illinois.gov.
B2	Role of Navigators and Producers (Agents and Brokers)	• The council recommends that the state further study this issue to identify innovative solutions that maintain the vital role of insurance producers while keeping costs affordable. Navigators and producers should receive similar or identical compensation for sales both inside and outside the Exchange.	• To be decided by legislation or Exchange governing body.	• Recommendations for the roles of Navigators and Producers were made in the *Illinois Navigator Program Design* report.

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C	Healthcare and Public Health Workforce	• The council recommends convening a Healthcare Workforce work group to develop an aggressive, comprehensive plan for professional and paraprofessional health care and public health worker shortages statewide, now and in the future.	• Anticipate that subcommittee of State Health Improvement Plan Implementation Coordination Council will be formed to address workforce issues.	• The Workforce subcommittee of the State Health Improvement Plan Implementation Coordination Council will be issuing goals, strategies and action steps for expanding and improving the capacity of our healthcare workforce in their report in fall 2012.
D	Health Information Technology	• The council recommends aggressive implementation of the Illinois Health Information Exchange (HIE) Strategic and Operational Plan.	• Office of Health Information Technology focuses on these issues along with IL Health Information Exchange Authority.	• The Office of Health Information Technology and the IL Health Information Exchange Authority continue to focus on these issues. • Through July 2012, $228.5 million in federal funds has been paid to Medicaid and Medicare providers as incentives to implement electronic health records. Of that, $91.2 million has been paid to eligible professionals and $137.3 million to eligible hospitals.
E	Incentives for High-Quality Care	• The council recommends establishing a Quality work group to develop a coordinated strategy among appropriate state agencies to improve health care quality.	• Work group development delayed pending outcome of Exchange legislation.	• A formal workgroup has not been established but several efforts to address high quality care are in progress. The Medicaid program is exploring ways to increase quality and reduce costs. The Centers for Medicare and Medicaid Innovation have made several funding opportunities available for increasing quality care.

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				Organizations in Illinois have received a Graduate Nursing Education Demonstration grant, several Health Care Innovation awards, an Independence at Home Demonstration grant, a Medicaid Emergency Psychiatric Demonstration grant, Accountable Care Organization grants and others. See http://innovations.cms.gov/ for more information.
F	Reforms for Medicaid Service Structures and Incentives	• Establish a System Design work group to identify options, establish priorities, and take advantage of appropriate funding opportunities under ACA to implement Medicaid program reforms and mandates.	• Solicitations for the Innovations Project and the Medicare-Medicaid Alignment Initiative have been issued to introduce creative models for care coordination for Seniors and Persons with Disabilities (SPD).	• Based on the proposals received, the Dept. of Healthcare and Family Services expects to announce awards this fall, for start-up next spring. In addition, the Integrated Care Program will expand to Phase II (the "long-term supports and services" package) for the 40,000 SPD members in the suburbs and collar counties. Plans are being developed to expand care coordination in other regions, plus for children, families and new Medicaid enrollees under the Affordable Care Act.

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G	Early Medicaid Expansion	• The council recommends that Illinois not apply for a federal waiver to expand Medicaid prior to 2014 unless the General Assembly lifts the recent moratorium on eligibility expansion.	• There has been no expansion or application for a wavier at this time. PA 96-1501 put a moratorium on new eligibility expansions for two years. Exploring the possibility of some county-based waivers that would have no additional costs for State.	• The General Assembly passed PA 97-0687, that allows for expansions of Medicaid if approved by the federal government and financed by units of local government and federal matching funds. HFS has requested an 1115 Medicaid waiver for Cook County to cover the currently uninsured who will become eligible in 2014. • Governor Quinn intends to expand Medicaid eligibility up to 138% of the Federal Poverty Level pursuant to the requirement in the Affordable Care Act and in cooperation with the General Assembly.